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Dear Mr. Ambassador:

As I write this on Sunday morning, you will have the telegram we sent out yesterday afternoon instructing our missions in the other Latin American Republics to sound out the opinion of the governments to which they are accredited on holding an OAS meeting on Guatemala about July 1.

This represents an important modification of the tactics here as respects the Conference. You should know, however, that basic thinking is that if we obtain a resolution requiring the prevention of movements of arms and Communist agents to Guatemala, this will enable us to stop ships including our own to such an extent that it will disrupt Guatemala's economy. The idea is that this will accelerate one of two developments: either it will encourage the Army or some other non-Communist elements to seize power or the Communists will exploit the situation to extend their control. If the latter occurs, it is thought, it will justify the American community, or if they won't go along, the U.S. to take strong measures.

With this in the back of the policy making minds, a decision crystalized gradually over the past week to retreat from the former intent to call an OAS meeting to haul Guatemala up under the Caracas Resolution which in effect would have called for a finding by two-thirds of the States that Guatemala's political institutions were under the "domination and control of international Communism". With the Alfhem case fresh, it was thought more Latin Americans would go along under Article 6 of the Rio Treaty on a case of threat to the peace, based on "extensive penetration" of Guatemala by international Communism plus the arrival of arms from the Soviet orbit.

The Honorable
John E. Peurifoy,
American Ambassador,
Guatemala.

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It was also thought that a resolution calling only for prevention of movement of arms and agents would get more votes than one calling for economic sanctions or other tough action.

The opinion here seems to be that we have the necessary fourteen votes. Brazil is enthusiastic to the extent of undertaking to sound out and line up Uruguay, Paraguay, Bolivia and Chile. Our soundings there are being delayed until the Brazilians have had their say. Ambassador Zuleta Angel of Colombia was called in to see Mr. Holland last night and said he was sure there would be at least sixteen or seventeen affirmative votes for our resolution as described in the circular. Ambassador Facio of Costa Rica was in later and said to be willing to urge his government to go along and the Panamanian Ambassador was called in this morning with results yet unknown to me. Mexico, under Ambassador White's manipulation is more tractable than I would have thought; our cause has been helped by the Guatemalan Ambassador in Panama's boner in telling President Remón that the Alfhem arms even loaded at Veracruz, an allegation that seems to have made Padilla Nervo, the Mexican Foreign Minister, hopping mad.

In the discussions in the Department which I have attended, I have pointed out what I consider some of the shortcomings of the present tactics: I have heavily stressed that external pressures, whether economic sanctions or more informal interruption of trade, should be supplemented by a more definite plan of action in the country or the Communists may well be the chief beneficiaries of the dislocations caused. Our problem of dislodging them then would perhaps have more serious proportions than is realized. I have also taken the line that if an OAS meeting is held a strong rather wild resolution should be forced, if at all possible, because the resolution as now drawn will not appear to represent a determined effort to eradicate Communism since it will not be apparent from it that commerce is to be disrupted. I fear that if we do interrupt commerce under the resolution we will be charged with unilateral intervention not only by Guatemala but also by other nations who will have voted for the resolution without specifically endorsing what is tantamount to economic sanctions. I have also argued that we are going to be in an odd position ourselves in stopping our own ships which carry the bulk of the commerce to Guatemala ostensibly to inspect them for arms and Communist agents after they have loaded at U.S. ports.

The

. : telegram which went to you yesterday asking for me to remain here was based on the week's developments. The OAS case, the current shipping cases, and the Honduran situation have added enormously to the workload and I have had to pitch in on all of them. Ambassador Dreier has now been assigned physically to assemble the "case" on Guatemala and Mr. Holland wants me to help him. I am also continuing to lend a hand to Ambassadors Donnelly and Pawley on their many projects, the most active of which to date has been the organization of our Naval surveillance of the Caribbean and the inspection of ships. The Department thus has a real need for someone with a speaking acquaintance with the problems of the area. On the other hand, I have pointed out that I am the only full time political officer on your staff and that in these critical times in Guatemalan affairs that is rather essential. It is a question of choosing between evils.

Say hello to Bill for me, and if it is decided for me to stay, extend him my sympathy!

Best regards,

John C. Hill